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Application of Duke Energy Carolinas, LLC, for Authorization to Issue and Sell Securities

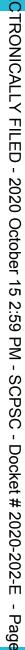
Docket No. 2020-202-E

October 22, 2020



INTRODUCTIONS & AGENDA

- Introductions
- Legal & Regulatory Background
- Process Overview
- Transactions Under Docket No. 2018-218-E, Order No. 2018-538
- Financing Application
- Questions





LEGAL AND REGULATORY BACKGROUND

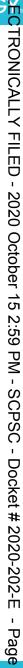
- S.C. Code Ann. § 58-27-1710 electric utilities must obtain approval from the Commission to issue securities payable beyond one year from their issuance.
- S.C. Code Ann. § 58-27-1720 the verified application must include certain information (e.g., amount and character of the securities, purpose for which they are to be issued, etc.).
- S.C. Code Ann. § 58-27-1730 ORS must review the request and provide the results of its review.
- The Commission then issues an order on the application.
- S.C. Code Ann. Regs. 103-706 provides analog requirements.





LEGAL AND REGULATORY BACKGROUND

- Most recent DEC and DEP dockets are as follows:
 - DEP, DN 2016-398-E, linked here: https://dms.psc.sc.gov/Web/Dockets/Detail/116138
 - DEP, DN 2019-298-E, linked here: https://dms.psc.sc.gov/Web/Dockets/Detail/117255
 - DEC, DN 2016-63-E, linked here: https://dms.psc.sc.gov/Web/dockets/Detail/115800
 - DEC, DN 2018-218-E, linked here: https://dms.psc.sc.gov/Web/dockets/Detail/116771
 - DEC, DN 2020-202-E, linked here: https://dms.psc.sc.gov/Web/dockets/Detail/117544



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LEGAL AND REGULATORY BACKGROUND

Docket	Date	Туре	Summary
2016-63-E	2/12/2016	Application	DEC Application for Approval to Issue and Sell Securities; \$4B
2016-63-E	2/25/2016	Letter	ORS Review Letter
2016-63-E	3/2/2016	Directive	Commission Directive approving securities application
2016-63-E	3/8/2016	Order	Commission Order No. 2016-167 approving securities application
2016-63-E	4/4/2016	Report	DEC Report of Issue and Sale of Securities; \$1B sale, \$3B remaining
2016-63-E	11/17/2017	Report	DEC Report of Issue and Sale of Securities; \$1.15B sale, \$1.85B remaining
2016-63-E	3/20/2018	Report	DEC Report of Issue and Sale of Securities; \$1B sale, \$0.85B remaining
2018-218-E	6/29/2018	Application	DEC Application for Approval to Issue and Sell Securities



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DEC FINANCING APPLICATION – PROCESS OVERVIEW

Application Filed

 Duke Energy Carolinas (DEC) files long-term financing application with Public Service Commission of South Carolina (PSCSC), and a copy is provided to the Office of Regulatory Staff (ORS).

Order Received • DEC receives Financing Order granting the Company authority to issue, sell, and transact an aggregate amount of securities and other long-term financing arrangements.

DEC Issues Securities

- DEC enters into long-term financing arrangements in accordance with the Financing Order received from the PSCSC.
- After each issuance of long-term debt, DEC files a notice of issuance with the PSCSC detailing the terms of the transaction.

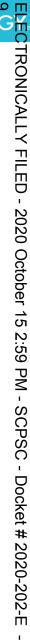
Balance Depleted

- DEC's authorized long-term financing balance is insufficient to ensure the Company can maintain access to the capital or bank loan markets.
- The Company begins the process of filing a new long-term financing application, which once approved, terminates any remaining authority under the existing Order.



Transactions Under Docket No. 2018-218-E, Order No. 2018-538

Description	Date	Amount	Authorized Balance
Financing Order Received	8/1/2018	\$4,000,000,000	\$4,000,000,000
Cliffside PSNC Pipeline Lease	10/22/2018	\$54,893,741	\$3,945,106,259
3.35% First Mortgage Bond (FMB) due 2022	11/8/2018	\$500,000,000	\$3,445,106,259
3.95% FMB due 2028	11/8/2018	\$500,000,000	\$2,945,106,259
2.45% FMB due 2029	8/14/2019	\$450,000,000	\$2,495,106,259
3.20% FMB due 2049	8/14/2019	\$350,000,000	\$2,145,106,259
Clemson Pipeline Lease	10/1/2019	\$3,804,920	\$2,072,386,746
Belews Creek Pipeline Lease	11/1/2019	\$68,914,593	\$2,076,191,666
Charlotte Metro Tower Lease	12/23/2019	\$675,000,000	\$1,397,386,746
2.45% FMB due 2030	1/8/2020	\$500,000,000	\$897,386,746
3.20% FMB due 2049	1/8/2020	\$400,000,000	\$497,386,746
Lincoln Pipeline Lease	5/28/2020	\$3,159,394	\$494,227,352
Marshall Pipeline Lease	5/28/2020	\$119,046,390	\$375,180,962



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FINANCING APPLICATION

- DEC requests authority to issue and sell a maximum of \$4.0 billion aggregate principal amount of the following securities, consistent with the previous application in Docket No. 2018-218-E:
 - Long-term Debt Securities (e.g. unsecured debt instruments, first mortgage bonds, etc.)
 - Long-term Bank Borrowings (in excess of one year in duration)
 - Tax Exempt Bond Obligations
 - Finance Lease Obligation (previously termed capital leases)
- DEC also seeks authority to enter into Interest Rate Management Agreements



QUESTIONS?